

May 4, 2015

Mr. Jeff Derouen Kentucky Public Service Commission 211 Sower Boulevard P.O. Box 615 Frankfort, Kentucky 40602

Re: East Kentucky Power Cooperative, Inc. Section DSM-10 – Community Assistance Resources for Energy Savings Program (New)

Dear Mr. Derouen:

Please find enclosed for filing with the Commission, via the electronic tariff filing system, the above-referenced tariff.

East Kentucky Power Cooperative, Inc. ("EKPC") is seeking to expand its Demand-Side Management ("DSM") program offerings by introducing the Community Assistance Resources for Energy Savings Program ("CARES"), a common DSM program for utilities across Kentucky and the United States, which encourages weatherization and higher-efficiency heating equipment for low-income end-use cooperative members ("end-use member") through the Kentucky Community Action Agency ("CAA") network of not-for-profit community action agencies. The EKPC DSM Steering Committee ("Steering Committee"), a committee of EKPC and owner-member cooperative ("owner-member") staff, determined that assisting Kentucky's Community Action Agencies in their weatherization efforts is a worthwhile and economic DSM program. Subsequently, the Steering Committee obtained approval from EKPC executive staff and owner-member CEOs to implement the CARES program, pending Commission approval.

Please find attached the California Tests results and the program assumption sheet. The Total Resource Cost ("TRC") is 1.34, while the Rate Impact Measure ("RIM") for EKPC is 0.73. Because of program design, the EKPC RIM is lower than usual, meaning the overall cost, including the incentive paid by EKPC to CAA on behalf of each participating low-income enduse member, is slightly greater than the benefit. However, the Steering Committee feels that providing its low-income end-use members with an incentive to help lower their monthly energy bills is a worthwhile program.

The CARES Program drastically improves energy costs for the end-use member and provides a one-time \$600 transfer payment to the owner-member to offset lost revenues. Also attached are detailed program guidelines.

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Pursuant to KRS 278.180 EKPC must give at least 30-days' notice to the Commission. Therefore, the proposed effective date of this program will be on or after June 3, 2015. Pursuant to 807 KAR 5:011, EKPC has posted the requisite notice at its office located at 4775 Lexington Road, Winchester, KY and will post the requisite notice on its website no later than five (5) business days from today's date, which will include a hyperlink to the Commission's website where the tariff can be found. EKPC has also given written notice to its 16 owner-members by mailing a copy of the notice and proposed tariff to each of them, on this date.

Please contact me if you have any questions.

Very truly yours,

Patrick Woods

Director, Regulatory Services

Enclosures

